

CITY OF LONG BEACH
Pacific County, Washington
January 1, 1991 Through December 31, 1992

Schedule Of Findings

1. The City Should Comply With Statutory Budget Requirements

The city did not adopt timely budget amendments for fiscal years 1992 and 1991; expenditures/expenses exceeded appropriations for the Water/Sewer Fund in 1992 and 1991 and for the Current Expense Fund in 1992. The 1991 budget was amended for the final time on April 6, 1992; the final supplement to the 1992 budget occurred on March 1, 1993.

The City of Long Beach made expenditures in excess of appropriations as follows:

For The Fiscal Year Ended December 31, 1991:

<u>Fund No.</u>	<u>Fund Name</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Excess</u>
401	Water/Sewer	\$680,000	\$699,639	\$19,639
01	Current Expense	690,000	722,008	32,008

For The Fiscal Year Ended December 31, 1992:

<u>Fund No.</u>	<u>Fund Name</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Excess</u>
401	Water/Sewer	\$825,000	\$842,413	\$17,413

RCW 35A.33.120 states in part:

The expenditures as classified and itemized in the final budget shall constitute the city's appropriations for the ensuing fiscal year

Failure to adopt timely budget amendments and maintain expenditures within appropriations violates state law and negates the budget process.

These budget problems were caused by lack of timeliness in the financial accounting process and turnover in city personnel.

We recommend that the city implement procedures to prepare the budget in accordance with statutory requirements. We further recommend that the city timely monitor expenditures in relation to appropriations and process budget amendments in a timely manner.